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APPROVAL OF UNDP ASSISTANCE TO A PROJECT OF THE GOVERNMENTS OF THE WHOLE AFRICA REGION

Advisory Group on Food and Agricultural Industries (Phase II)
(RAF/78/057)

Report of the Administrator*

Date of present approval:	May 1979
Starting date of project activities:	January 1979 (retroactive)
Planned completion date:	December 1978
To be executed by:	Food and Agriculture Organization of the United Nations (FAO) in association with the Economic Commission for Africa (ECA)
Government implementing agency:	Ministry of Agriculture
Estimated cost of assistance planned under present approval:	$591 500
Source of UNDP financing:	Regional Indicative Planning Figure (IPF)

I. Background

1. The Fourth World Food Survey of 1977 indicated that in Africa, the food production growth rate had declined from 2.7 per cent in 1968-1970 to 1.2 per cent in 1970-1976, whereas the population growth rate had increased from 2.5 per cent to 2.7 per cent. As a consequence, the volume of food imports had increased by about 74 per cent while the value of these imports had more than quadrupled between the early sixties and 1976. Furthermore, the development of food and agro-industries was slow if not stagnating and food continued to be exported as raw material rather than in the more remunerative processed form.

* In accordance with General Assembly resolution 2688 (XXV) and subsequent authorizations of the UNDP Governing Council, reports are issued seriatim on the approval of UNDP assistance of $250,000 or more (including, if any, assistance financed by Government or by third-party cost sharing).

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2. The Lima Declaration endorsed by the United Nations General Assembly in 1975 calls for increasing the share of industrial production of the developing countries to at least 25 per cent of the total world industrial production by the year 2000. The Declaration further proposes the promotion of agro-based or agro-related industries to arrest rural exodus, stimulate food production activities and provide an incentive for the establishment of further natural resources-based industries. Obviously in the Africa region, the development of food industries will improve food supplies and reduce imports as well as contribute to increased self-reliance, higher export earnings, higher employment levels, etc.

3. The first phase of the project was established in 1975 (RAF/72/020) and aimed at identifying and formulating a regional approach to the subject. On the basis of visits to certain selected countries, studies conducted and replies from Governments to a questionnaire survey, it was evident that the cereal processing industries, oil-seed processing industries, as well as training, constitute the top priorities to be considered by the Advisory Group on Food and Agricultural Industries. UNDP assistance for a Phase II project has now been approved.

II. Objectives and activities

4. The immediate objectives of the project are to advise Governments, industrial investment institutions, private industrial concerns and multinational organizations on the viability of specific food and agricultural industries projects by conducting feasibility studies, review missions, etc. Because of manpower and financial limitations, Phase II of the project will concentrate only on the identified priority areas mentioned in paragraph 3 above. Special attention will be given to projects serving economic groupings of countries and to projects with export potential. Regional and subregional training courses and workshops will also be organized.

III. Inputs

5. UNDP will provide, through the Executing Agency, the services of a team-leader, a cereal technologist and various consultants as required, including administrative support, training and some equipment.

IV. Financial data

6. The expenditure components of the planned assistance are as follows:

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Personnel	530 000
Training	30 000
Equipment	9 000
Miscellaneous	22 500
	591 500

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